

U.S.A. tax plan would not be deductible. The principle reasons why this deductibility is denied are twofold: first under GATT rules, our Nation can not provide wage deductions while also providing, in essence, an excise tax on imports and second to provide wage deductibility and still maintain revenue neutrality the business rates would have to be raised significantly from the 11 percent flat rate we propose.

While this conclusion seems necessary, the wage nondeductibility issue is going to have to be thought through very carefully. Attaining a level playing field in international trade is a very important goal and to achieve it would be a sea change in U.S. tax policy. The same would be true to deny wage deductions to businesses. However, on this latter point, businesses need to keep in mind that the business rates proposed in the U.S.A. tax plan are much, much lower than today's business tax rates. In fact, they would be less than one-third of today's rates, yet these rates raise the same amount of revenue for the Federal Government as is raised today. It is also important to keep in mind that under our proposal, businesses would receive a credit for the employer share of Social Security taxes paid. So the effective business tax rate on wages paid up to the \$62,000 Social Security tax wage limit would be 11 percent less 7.65 percent paid in FICA taxes, or just 3.35 percent.

Mr. President, in conclusion, the U.S.A. tax plan would promote U.S. competitiveness and level the international playing field for American business by implementing a territorial and border adjustable business tax. All goods, whether produced here or abroad, sold in the United States will bear the same U.S. tax burden. And U.S. exports, which are generally subject to a value-added tax when they are sold in foreign markets, would no longer be subject to a U.S. corporate income tax on top of that. It's time we had a Tax Code that works for us, not against us, and the U.S.A. plan, for this and many other reasons, provides the answers.

#### CRS REPORT ON ENVIRONMENTAL TOBACCO SMOKE

Mr. FORD. Mr. President, on November 14, 1995, the Congressional Research Services issued a report authored by C. Stephen Redhead and Richard E. Rowberg entitled *Environmental Tobacco Smoke and Lung Cancer Risk*. This report was prepared in response to multiple requests from congressional offices and presents an analysis of the potential health effects of environmental tobacco smoke [ETS].

Consistent with statutory requirements for CRS work, this report was prepared in a nonpartisan, unbiased manner and is an excellent example of the professional and academic quality of CRS work. The report calls into question some of the findings of the Environmental Protection Agency with

regard to ETS. Not surprisingly, some of the conclusions contained in the report have proven controversial.

Subsequent to the release of the report, one of the authors of the report made statements to the press regarding the conclusions of the report. Reports of the author's statements have appeared in several newspapers. It appears that his statements have been either misconstrued or taken out of context in an apparent attempt to discredit the results of the report.

In a letter to me, dated March 19, 1996, Daniel P. Mulholland, Director, CRS, clarified that, based on conversations with the author, news reports were either misleading or inaccurate. Further, Mr. Mulholland stated that CRS continues to stand by the findings of the report.

I ask unanimous consent that a copy of this letter from Dan Mulholland, dated March 19, 1996, be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,  
THE LIBRARY OF CONGRESS,  
Washington, DC, March 19, 1996.

Hon. WENDELL H. FORD,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR FORD: This is in response to the questions you raised yesterday concerning an article that appeared last month in the *Kitchener-Waterloo* record about the CRS report, *Environmental Tobacco Smoke and Lung Cancer Risk*. Based on my conversations with the analysts involved, the article was misleading and inaccurate. I can assure you that we continue to stand by the findings of the report.

I am advised that the article contains three specific statements about the content of the report which were attributed to one of its authors. First, it states that the report "does not dispute the claim that second-hand smoke is a known, class A (human) carcinogen." In fact the report takes no position regarding the Environmental Protection Agency's classification of ETS as a class A carcinogen. The relevant sections in the report appear on page 1 (paragraph 3) and the last two paragraphs on page 16.

The article also states that the "number of [ETS] deaths...likely ranges anywhere from several hundred to several thousand a year in the United States." The report cited several possible values ranging from zero to as high as 5,500 depending on the level of risk selected from those appearing in the published literature (see page 2, paragraph 2).

Finally, the article states that the CRS report attempted to "point out the uncertainties of determining what level of exposure to ETS is likely to cause cancer." This statement is misleading and incorrect. The report presents an analysis of the uncertainties in performing a quantitative risk assessment of the ETS-lung cancer risk using epidemiologic data.

Notwithstanding any comments that have appeared in this or any other press articles or other published comments about the CRS report, we have not changed our position on any of its findings. We also believe that these findings are clearly expressed in the report.

I am also enclosing a copy of a March 18 letter from the Acting Chief of the Science Policy Research Division that was E-mailed to Ms. Martha Perske. The letter states that

we have not changed our position on any of the findings of the report on ETS.

Sincerely,

DANIEL P. MULHOLLAN,  
Director.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. FRAHM). Without objection, it is so ordered.

#### RELATIVE TO CAMBODIA HUMAN RIGHTS RECORD

Mr. NICKLES. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 629, Senate Resolution 285.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 285) expressing the sense of the Senate that the Secretary of State should make improvements in Cambodia's record on human rights, the environment, narcotics trafficking and the Royal Government of Cambodia's conduct among the primary objectives in our bilateral relations with Cambodia.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations, with amendments:

(The part of the resolution intended to be stricken are shown in boldface brackets and the parts of the resolution intended to be inserted are shown in italic.)

[ers, and helped finance both the Royal Cambodian Armed Forces and the Khmer Rouge in their civil war; and

[Whereas the desire to cite Cambodia United Nations peacekeeping success story has stifled official international expressions of concern about deteriorating conditions in Cambodia: Now, therefore, be it]

*Whereas the Paris Peace Accords of 1991 and the successful national elections of 1993 brought two decades of civil war nearer to cessation, demonstrated the commitment of the Cambodian people to democracy and stability, and led to the creation of a national constitution guaranteeing fundamental human rights;*

*Whereas since 1991 the international community has contributed almost \$2 billion to peacekeeping and national reconstruction in Cambodia and currently provides over 40 percent of the budget of the Royal Government of Cambodia (RGC);*

*Whereas recent events in Cambodia—including the arrest and exile of former Foreign Minister Prince Sirivudh, the expulsion of former Finance Minister Sam Rainsy from the FUNCINPEC Party and the National Assembly, a grenade attack against members of the independent Buddhist Liberal Democratic Party of Cambodia, mob attacks against pro-opposition newspapers, the assassination of journalist and Khmer National Party member Thun Bunly,*